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PRESS RELEASE

Japfa's 9M 2014 PATMI[1] grows 6.8% to US$47.3 million

- ***Group PATMI without biological assets[1] grew 6.8% year-on-year in 9M 2014, against 9% growth in revenue to US$2.2 billion***
- ***Diversified business strategy helped maintain the Group's overall performance, despite temporary down-cycle of Indonesia's animal protein business***
- ***Dairy business continues to grow, driven by higher milk volumes and yields***
- ***Long-term prospects for the Group remain positive***

Singapore, 7 November 2014 – Leading agri-food company, **Japfa Ltd** ("Japfa", or together with its subsidiaries, the "Group") today reported a 6.8% year-on-year growth in its Group PATMI without biological assets[1] ("PATMI") to reach US$47.3 million, for the nine months ended 30 September 2014 ("9M 2014"). This was against a 9% increase in revenue to US$2.2 billion for the same period, on the back of a broad-based growth across its key business segments.

For the third quarter ended 30 September 2014 ("3Q 2014"), the Group registered a revenue of US$784.7 million, which was a 15% growth from the year-ago period, while PATMI dipped 3.5% year-on-year to reach US$12.0 million.

SEGMENTAL REVIEW

Japfa has three main operating segments: (1) Animal Protein, (2) Dairy, and (3) Consumer Food. The Animal Protein business contributed 86% and 85% of total revenue in 9M 2014 and 3Q 2014, respectively. The Dairy business accounted for 7% and 8%, and the Consumer Food business accounted for 7% of 9M 2014 and 3Q 2014 revenue, respectively.

Animal Protein

The Group produces multiple high-quality animal proteins (poultry, swine, beef and aquaculture) as well as premium specially-formulated animal feed. Through a 57.5% stake in Indonesia-listed PT Japfa Comfeed Indonesia Tbk ("Japfa Comfeed"), the Group is one of the two largest producers of poultry in Indonesia.

In 3Q 2014, Japfa Comfeed's performance was impacted by a weaker Indonesian Rupiah which depreciated by about 20% against the US Dollar in the second half of FY2013. The weaker Rupiah

[1] Adjusted profit attributable to owners of the parent, excluding fair value changes of biological assets

affected the purchasing power of the low-income consumers in Indonesia, which in turn resulted in a downward pressure on the selling prices of day-old chicks ("DOCs") and broiler chickens across the industry.

Typically, poultry consumption is highest during Ramadan and lowest during the period immediately following Ramadan and during the beginning of the school year. Thereafter, poultry consumption usually reverts to normal levels. With an increase in production volumes of DOCs across the breeding industry, there is currently an oversupply of DOCs in Indonesia. Although DOC prices are generally cyclical in nature, this year's prices have unexpectedly remained in a down-cycle since September and continued to trend downwards, affecting the entire poultry industry in Indonesia.

The Group's other Animal Protein businesses, on the other hand, fared well with revenue rising from US$267.9 million in 9M 2013 to US$376.0 million in 9M 2014, and from US$93.7 million in 3Q 2013 to US$132.4 million in 3Q 2014. Overall, the other Animal Protein businesses have improved, with better performance in its Vietnam operations, coupled with maiden revenue contributions of US$57.0 million from its new business in Myanmar.

Dairy

The Group is one of a small group of leading, industrialized producers of premium raw milk in Indonesia and China. Its raw milk is of the highest quality in terms of nutritional and safety standards, and rates at the top of the market in terms of price.

With the continued roll out of new dairy farms in Shandong, China, the Dairy business experienced overall improvement in its performance, driven by higher milk volumes from its new farms in Shandong, China as well as an increase in milk yields. For 9M 2014, revenue from the Dairy business rose to US$167.3 million from US$106.0 million last year, while 3Q 2014 revenue grew to US$60.1 million from US$34.9 million in 3Q 2013.

Consumer Food

Japfa uses some of the animal protein products that it produces in-house as raw materials for its own downstream consumer food segment. It produces ambient-temperature and chilled/frozen food products from chicken, beef and seafood for the Indonesia and Vietnam markets.

With the weaker Rupiah and lower purchasing power of low-income consumers in Indonesia, coupled with the Vietnam operations still in a start-up phase, revenue for the Consumer Food segment declined by 13.1% in 9M 2014 to US$160.6 million and by 7.3% in 3Q 2014 to US$58.0 million.

Commenting on the Group's latest financial results, Mr. Tan Yong Nang, Chief Executive Officer of the Group said, "We achieved a commendable financial performance, in light of the challenges we are currently facing in Indonesia. Although the down-cycle of our Indonesia's animal protein business has been unexpectedly longer than normal, our diversification strategy across different protein and geographical segments has enabled us to mitigate this cyclical anomaly."

OUTLOOK AND STRATEGY

The Group remains positive of its long-term growth prospects, given its leading market positions across multiple protein segments in high-growth emerging Asian markets where protein consumption is low and expected to increase over time.

In the near term, factors such as the anticipated removal of fuel subsidies in Indonesia may further impact consumer purchasing power and pose greater volatility in consumption patterns. With the

current headwinds in Indonesia, the Group is taking steps to scale back its poultry production in the interim, while continuing to enhance productivity and efficiency of its operations.

For its Dairy business in China, the Group is currently in negotiations with its major customers on the selling prices of its raw milk. In view of the overall decline in milk prices across China, the Group expects its average selling prices of raw milk prices to be lower. Nonetheless, this is expected to be offset by the expected increase in milk yields, as the Group focuses on enhancing its advanced and industrialized farm management practices and high yielding livestock.

Notwithstanding the present challenges in Indonesia, Japfa remains focused on driving its long-term growth through a multi-pronged strategy including:

- Expanding its dairy business in China through the continued replication of its successful business model.
- Continuing to enhance the profitability of its core poultry business in Indonesia
- Expanding its animal protein business in its target markets
- Further investing into its high-growth consumer food brands

"There are three billion people living in our target markets, with compelling macro-economic and industry fundamentals that will drive the consumption of protein foods in the long run. We will continue to replicate our industrialized approach to farming across protein segments and countries. We are bullish on our Dairy business and are on track to complete construction of our fifth farm in Shandong by the end of 2014 with milk production in early 2015. We are also starting construction of the first farm in our second five-farm hub in Inner Mongolia before the end of 2014. Our consumer food segment, while small, is also expected to be a key driver for future growth in the medium- to long-term," added Mr. Tan.

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ABOUT JAPFA LTD.

Japfa Ltd is a leading agri-food producer focused on feeding emerging Asian markets. The Group produces protein staples such as chicken, beef and milk, as well as protein-based consumer food products. From its headquarters in Singapore, Japfa operates its businesses in the fast growing economies of Indonesia, China, India and Indo-China. Backed by two generations of farming experience, it operates industrial-scale farms which are vertically integrated with its downstream food processing operations.

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